Fixed Assets Accounting

GENERAL DESCRIPTION: Building, land, and equipment purchases should be recorded as fixed assets. A fixed asset, under normal conditions of use, including reasonable care and maintenance, has a life greater than one year and a value of $5,000 or more. Items of an expendable nature that are consumed, worn out, or have internal components worn by use, and fixed assets with a value less than $5,000, should be charged to the non-consumable supplies object 461, computer software object 470, or computer hardware object 480, depending on the nature of the equipment purchased. Recording fixed assets provides a means to safeguard all CESD assets and assists in value determination for insurance purposes.

PRIMARY RESPONSIBILITY: Chief Financial Officer

REFERENCE OR AUTHORITY: Board Policies DBA – Budgeting System; and DID – Property Inventories

PROCEDURAL STEPS:

Adding Fixed Assets

1. Purchase of fixed assets shall be accomplished using the requisition procedure. (Refer to procedure FS-017 – Requisitions.) Components individually purchased that are in excess of $5,000 must be listed separately. If item(s) to be purchased cannot be physically tagged (e.g., internal computer components), tag instructions must be included with the requisition.

2. Equipment purchased shall be charged to the asset clearing account (26000) rather than the capital outlay accounts (541, 542). Fiscal Services will record in the appropriate accounting unit and fixed asset ledger.

3. A copy of the purchase order, a fixed asset confirmation sheet, and a fixed asset tag will be sent by Fiscal Services as follows: 1) all technology and data center assets to the Chief Information Officer or designee, and 2) all others to maintenance.

4. The tag will be attached to the appropriate equipment.

Relocation of Fixed Assets

1. The department director or designee shall obtain and issue an updated fixed asset confirmation sheet to the Fiscal Services for any fixed assets transferred between buildings, classrooms or departments.
Disposal of Equipment (see Procedure OP-009 – Disposal of Property)

Physical Verification of Assets

1. A physical inventory of fixed assets shall be conducted at the end of each fiscal year to verify physical existence of assets listed in the accounting records. Differences and discrepancies should be reviewed by the program manager and noted on the inventory report.

2. An inventory of equipment with a value greater than $1,000 shall also be maintained for computer equipment, projectors, or other equipment designated by the directors. Inventory tags may also be used to identify the equipment.